

FISCAL NOTE

SB 92 – HB 112

February 26, 2007

SUMMARY OF BILL: Requires health insurers who use an automated telephone answering service to allow consumers to bypass the automated telephone answering service and be allowed immediate access to a claims representative.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$36,300

Other Fiscal Impact – Increase Federal Expenditures – Exceeds \$63,700

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would result in an increase in the cost of health insurance premiums which exceeds \$100,000 for plans that do not currently offer immediate access to a claims representative.

Assumptions:

- In meeting this requirement, TennCare MCOs will have to upgrade their equipment and hire additional personnel.
- It is estimated that capitation rates paid to TennCare MCOs will increase and result in an increase in expenditures which will exceed \$100,000 (\$36,305 in state funds and \$63,695 in federal funds at a 63.695% match rate).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director